SUPREME COURT, U. S.

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No. 547.

IN THE

Supreme Court of the United States

October Term, 1969.

CARNATION COMPANY,
Petitioner,

v.

GENERAL FOODS CORPORATION,
Respondent.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Seventh Circuit.

BRIEF FOR THE RESPONDENT IN OPPOSITION.

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CARNATION COMPANY,

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ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

BRIEF FOR THE RESPONDENT IN OPPOSITION.

OPINION BELOW.

The opinion of the court below (Pet. App. 1a-9a) is reported at 162 U. S. P. Q. 129; it has not yet appeared in F. 2d.

JURISDICTION.

The judgment of the court below was entered on June 11, 1969. The petition for certiorari was filed on September 2, 1969. The jurisdiction of this Court is invoked under 28 U. S. C. § 1254(1).

QUESTIONS PRESENTED.

1. Whether sales by an alleged infringer of the accused product, occurring in the judicial district where suit is brought, constitute acts of infringement of a product-by-process claim so as to fix venue in that district under 28 U. S. C. § 1400(b), regardless of the place of manufacture of the accused product.

2. Whether, where venue is proper under 28 U. S. C. § 1400(b) by reason of sales of the accused product within a judicial district, the district court correctly took jurisdiction over the alleged infringement of the remaining process claims of the identical patent.

THE STATUTES INVOLVED.

The sections of the pertinent patent and venue statutes are:

Title 28 U. S. C. § 1400(b) which provides:

> "Any civil action for patent infringement may be brought in the Judicial District where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

Title 28 U. S. C. § 1404(a) which provides:

> "For the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought."

Title 28 U. S. C. § 1406(a) which provides:

> "The district court of a district in which is filed a case laying venue in the wrong division or district shall dismiss, or if it be in the interest of justice, transfer such case to any district or division in which it could have been brought."

Title 35 U. S. C. § 271(a) which provides:

> "Except as otherwise provided in this title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent."

STATEMENT.

A. Summary of the Case

Respondent General Foods Corporation hereinafter "General Foods", brought suit in the Northern District of Illinois against petitioner Carnation Company, hereinafter "Carnation", for infringement of General Foods Patent No. 3,119,691 (Pet. App. 11a-15a). We quote a "skeleton statement of the facts", none of them disputed, from the opinion below (Pet. App. 2a):

> "* * * both General Foods and Carnation are corporations of the State of Delaware, the former with its principal offices in White Plains, New York, and the latter with its principal offices in Los Angeles, California. The patent pertains to the production of a dry farinaceous dog food which General Foods alleges is embodied in its product sold under the trademark, 'Gravy Train.' Carnation's product alleged to infringe is sold under the trademark 'Friskies Sauce Cubes.' The first eleven claims of the patent are limited to 'the method of preparing a perticulate dry animal food.' Claims 12 and 13, the only other claims in the patent, describe the product."

At this point the court below noted in a footnote that claim 13 had been held invalid in *General Foods Corp. v. Perk Foods Co.*, 283 F. Supp. 100 (N. D. Ill.), and was not involved in the case at bar. It should be added that Perk took an appeal, which is now *sub judice* in the Seventh Circuit as No. 16887, and that General Foods did not cross-appeal from the ruling on claim 13. To return to the quotation from the opinion below (Pet. App. 2a):

> "Claim 12 concludes with the statement, 'said product being produced in accordance with the method of claim 1.' Carnation has never carried out the ac-

cused method of making its cubes within the Northern District of Illinois. They were developed in its plant and laboratory at Van Nuys, California, and were thereafter commercially produced only at plants in Oakland, California, and Jefferson, Wisconsin. Carnation maintains a branch sales office in the Northern District, from which it has sold its 'Friskies Sauce Cubes' alleged to infringe claim 12.''

B. Carnation's Efforts to Obtain a Different Forum.

Carnation, defendant in the Northern District of Illinois, where it had been selling the accused product since 1965 (R. 37),* a district only 100 miles from its manufacturing plant in Jefferson, Wisconsin (R. 56), preferred to litigate the validity of General Foods' patent in the Central District of California. Accordingly, Carnation took two steps toward the selection of a forum other than the one where General Foods had brought the present action on April 2, 1968 (R. 1).

First, Carnation on June 7, sued General Foods in Los Angeles, in the Central District of California, seeking a declaratory judgment that all the claims of General Foods' Patent No. 3,119,691 were invalid and not infringed (R. 58-62).

Next, on June 12, Carnation moved to dismiss the present Northern District of Illinois action for improper venue under 28 U. S. C. § 1400(b), or, in the alternative, to transfer that cause to the Central District of California under either 28 U. S. C. § 1404(a) or § 1406(a) (R. 5-8).

General Foods then moved to enjoin Carnation from proceeding with its subsequently filed declaratory judgment action in California (R. 16-17).

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* "R." refers to the appendix printed for use in the court below.

The proof adduced in the hearing of these motions was summarized by the court below as follows (Pet. App. 7a):

> "In support of its motion to transfer, on the ground that it would be for the convenience of parties and witnesses and in the interest of justice, Carnation presented an affidavit of its Senior Vice President designating a number of persons residing in the California area, including several of its employees, who would or might be called as witnesses in a trial of the case. The affidavit asserted that the company would be greatly inconvenienced and its business hampered and interrupted to a much greater extent if such witnesses were called to appear at a trial in Chicago rather than in Los Angeles.
>
> "General Foods submitted a counter-affidavit of its Research and Product Development Manager which named a number of witnesses expected to be called at the trial and who resided in the Chicago area. Included in the list were several witnesses residing at Battle Creek, Michigan, approximately 100 miles from Chicago, and witnesses residing at Kankakee, Illinois, 40 miles from Chicago, where its product, alleged to be infringed, is manufactured. The counter-affidavit also asserted that Benjamin R. Harris, its principal witness in *General Foods Corp. v. Perk Foods Co.*, 283 F. Supp. 100, who would be a witness in the instant case, resided in Chicago."

As has been indicated, Jefferson, Wisconsin, one of the places where Carnation manufactures the accused product, is only 100 miles from Chicago in the Northern District of Illinois (R. 56).

After hearing, the district court in Chicago entered separate orders (1) denying Carnation's motion to dismiss

for improper venue or in the alternative to transfer under § 1406(a); (2) denying Carnation's motion to transfer under § 1404(a); and (3) granting General Foods' motion to enjoin Carnation from prosecuting its subsequently brought California case (R. 65-67).

C. The Ruling Below.

Carnation made several contentions on appeal, all of which were rejected by the court below.

1. Carnation argued that product claim 12 lost its status as such by its reference to claim 1, a process claim, contending that since the process was not practiced in the Northern District of Illinois, there was no infringement there, despite the fact that the product was sold there. But the court below refused to accept Carnation's contention "that product claim 12 lost its status as such by its reference to claim 1 as a method by which its product was produced" (Pet. App. 3a).

The court below held, citing authorities, that such incorporation by reference did not alter the product claim status of claim 12. Accordingly (Pet. App. 5a), "it does not follow, as Carnation argues, that because the method by which the product was produced was practiced in another jurisdiction that the jurisdiction in which it was sold is lacking in venue."

2. Carnation's next contention was that, assuming correct venue as to claim 12, the district court erred in retaining jurisdiction of charges of infringement of the method claims unless venue requirements were satisfied for each such claim (Pet. App. 3a, 5a).

The court below held that, whatever might be the case where suit was brought on separate patents, here there was involved only a single patent, all stemming from the same

specification as required by 35 U. S. C. § 112, and that it would be an intolerable situation for a single patent to be split up, so that some of its claims would be tried in one jurisdiction with others tried elsewhere (Pet. App. 5a-6a).

3. With respect to the transfer sought by Carnation, the court below, after reciting the facts set out above under "Carnation's Efforts to Obtain a Different Forum" (*supra*, pp. 3-5), held that the district court did not abuse its broad discretion in denying Carnation's transfer motion (Pet. App. 6a-8a).

4. Finally, the court below held that the injunction against further proceedings was proper, either on Carnation's concession that it turned on the disposition of the first two issues, or else on the familiar ground that interlocutory injunctions are set aside only for abuse of discretion, which plainly was not present here (Pet. App. 8a-9a).

Accordingly, the court below affirmed the orders of the district court (Pet. App. 9a).

ARGUMENT.

There are no special and important reasons here for granting the writ. The Court of Appeals did not render a decision in conflict with a decision of another Court of Appeals; nor did it decide an important question of federal law which has not been, but should be, settled by this Court. It did not decide a federal question in a way in conflict with applicable decisions of this Court; nor did it so far depart from the accepted and usual course of judicial proceedings, or so far sanction such a departure by a lower court, as to call for an exercise of this Court's power of supervision.

The Court of Appeals merely affirmed the district court's decision that this action will be tried in Illinois, rather than in California where petitioner would prefer it to be tried. While the *locus* of trial, and the considerations involved in determining it, may be of importance to the parties, it is hardly a consequence "of substantial interest to the public" as asserted by petitioner (Pet. 6).

The decision below affirming the interlocutory orders of the district court is plainly correct, and the narrow questions now presented do not warrant further review.

First. For the reasons stated by the court below (Pet. App. 3a-5a), it is clear that a product claim does not become any less so because it incorporates by reference a process claim. Accordingly, venue is properly laid under 28 U. S. C. § 1400(b) and 35 U. S. C. § 271(a) in the district where the accused product is sold, which here without dispute was in the Northern District of Illinois (R. 37; Pet. App. 3a).

To characterize the familiar product-by-process claim here involved as a "hybrid" (Pet. 2, 7, 8, 9, 10) may add semantic overtones to Carnation's position, but it does not

overturn the settled line of cases holding that incorporation by reference of claim 1, to show the method by which the product in claim 12 was produced, does not alter the status of claim 12 as a product claim. *National Carbon Co. v. Western Shade Cloth Co.*, 93 F. 2d 94, 96 (C. A. 7); *Application of Bridgeford*, 357 F. 2d 679, 682 (C. C. P. A.); *Application of Taylor*, 360 F. 2d 232, 234 (C. C. P. A.); discussion by the court below at Pet. App. 4a. The *Bridgeford* case explains that rationale of the product-by-process claim (357 F. 2d at 682):

> "The rationale stated in the above decisions which permit the product-by-process claim in ex parte prosecution before the Patent Office is clear: the right to a patent on an invention is not to be denied because of the limitations of the English language, and, in a proper case, a product may be defined by the process of making it. However, the invention so defined is a *product* and not a *process*."

It is still necessary "that proof of infringement of the product claim will require proof that it was made in accordance with the method claim" (Pet. App. 5a)—which is all that is held by *Cochrane v. Badische Anilin and Soda Fabrik*, 111 U. S. 293, cited at Pet. 8. But this proposition relates solely to proof of infringement and not to the issue of venue, as the court below observed (Pet. App. 5a).

There need be no concern over (Pet. 9) "essentially innocent parties such as merchants selling a product who have no knowledge concerning the accused method, and little means, if any, for acquiring such knowledge," since here the action was brought against the manufacturer itself, which admittedly sold the accused product from its own branch sales office (Pet. App. 2a, 3a), and which had been doing so prior to suit for some three years in the precise district where suit was brought (R. 37).

To the contrary, if Carnation were correct in its contention, it could sell with impunity anywhere in the United States any and all infringing products, just as long as they were manufactured abroad, *e.g.*, in Canada. The product-by-process claim would be treated as a nullity, rather than as a presumptively valid claim as provided by 35 U. S. C. § 282.

If the court below had any thought whatsoever that the "intent" of 28 U. S. C. § 1400(b) was being circumvented by suit in Chicago, as urged by petitioner (Pet. 12), it could have readily transferred the case elsewhere under 28 U. S. C. § 1404(a). This it correctly chose not to do.

Second. Carnation's other contention, that the 12 claims of General Foods' patent now in issue must be split up, so that the method claims would be tried in another district (Pet. 2, 10-12), borders on the frivolous. Its argument is in any event answered by the court below (Pet. App. 6a):

> "To hold as Carnation would have us do would create an intolerable situation. It would mean that an action for patent infringement would be tried piecemeal, some claims in one jurisdiction and others in another. Confusion would be engendered and a multiplicity of suits invited."

Accordingly, relying on the doctrine of pendent jurisdiction, *Hurn v. Oursler*, 289 U. S. 238, 246, and on the doctrine that a court of equity may grant complete relief, *Kalo Inoculant Company v. Funk Bros. Seed Company*, 161 F. 2d 981, 991 (C. A. 7), the court below held that since venue was properly laid as to claim 12, the district court for the Northern District of Illinois thereby acquired jurisdiction of all other claims of the same patent on which General Foods relied (Pet. App. 6a).

Significantly, Carnation can cite no authority in support of its contention that the claims in a single patent should be so divided that each must meet a different venue requirement—with a consequent multiplication of lawsuits.

The questions raised in the petition relate merely to where this case will be tried; they are not recurrent or of public interest; there is no conflict of circuits; inasmuch as the action here is brought against the infringing corporate manufacturer, the imaginary difficulty of a proliferation of infringement suits against "essentially innocent" retailers (Pet. 9) has yet to materialize; and the rulings below affirming the district court's interlocutory orders are plainly right.

CONCLUSION.

This petition for writ of certiorari should therefore be denied.

Respectfully submitted,

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